



House of Representatives

General Assembly

File No. 10

January Session, 2007

House Bill No. 7101

House of Representatives, March 5, 2007

The Committee on General Law reported through REP. STONE of the 9th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT PROHIBITING GASOLINE COMPANIES FROM BANNING CASH DISCOUNTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 42-133ff of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2007*):

4 (c) Nothing in this section shall prohibit any seller from offering a
5 discount to a buyer to induce such buyer to pay by cash, check or
6 similar means rather than by credit card. No person engaged in the
7 business of furnishing gasoline to a retail distributor of gasoline in this
8 state shall prohibit such retailer from offering a discount to a buyer to
9 pay cash for such gasoline. A violation of this subsection shall be
10 deemed an unfair or deceptive trade practice under subsection (a) of
11 section 42-110b.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2007</i>	42-133ff(c)
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GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Consumer Protection, Dept.	GF - Revenue Gain	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None**Explanation**

This bill prohibits gasoline wholesalers from banning cash discounts at the retail level, subject to the Connecticut Unfair Trade Practices Act (CUTPA). Any revenue gain would be minimal, due to the anticipation that few complaints will be made to the Department of Consumer Protection (DCP).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 7101*****AN ACT PROHIBITING GASOLINE COMPANIES FROM BANNING CASH DISCOUNTS.*****SUMMARY:**

The law provides that it does not prohibit sellers from offering discounts to induce buyers to pay by cash, check, or similar means rather than by credit card. This bill bars anyone engaged in the business of supplying gasoline to retailers from prohibiting the retailers to offer cash discounts to the public. It makes a violation an unfair trade practice.

EFFECTIVE DATE: October 1, 2007

BACKGROUND***Connecticut Unfair Trade Practices Act (CUTPA)***

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. The act also allows individuals to sue. Courts may (1) issue restraining orders; (2) award actual and punitive damages, costs, and reasonable attorneys fees; and (3) impose civil penalties up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 1 (02/22/2007)